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# **An Appraisal of Robert Keohane: Neoliberalism and Liberal Institutionalism**

<https://www.e-ir.info/2012/12/22/an-appraisal-of-robert-keohane-neoliberalism-and-liberal-institutionalism-in-world-politics/>

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### **An Appraisal of Robert Keohane: Neoliberalism and Liberal Institutionalism in World Politics**

Robert Keohane's leaning towards a normative viewpoint of world politics can be interpreted even before his formal academic education and latter academic teachings and successes. With a father part of the social sciences faculty of the famous University of Chicago and mother deeply engaged with social justice and peace, it would have been no stretch to assume Keohane's values and world view from an early age would fall within liberal boundaries. Indeed in analysing Keohane's understanding of the international system, and his view that 'we study world politics not because it is easily amenable to scientific investigation, but because human welfare, the fate of our species, and the future of the fragile global ecology itself depend on the ability of human beings to cope successfully with economic interdependence, nuclear weapons and the world environment' (Keohane, 1989: 21). Then we can recognise the emphasis Keohane places on economic interdependence and also his affinity with a normative approach to the understanding of world politics.

In 1961 Keohane completed his PhD at Harvard, 'writing a dissertation on politics in the UN General Assembly', one of the principle organs of the United Nations. He identified, and later recognised the full importance of this as a 'formal intergovernmental organisation', which is defined as 'capable of monitoring activity and of reacting to it, and are deliberately set up and designed by states' (Keohane, 1989: 23, 3). In 1965 Keohane joined the faculty of Swarthmore College which included noted academics such as Kenneth Waltz. Waltz's emphasis on the importance of structure within a world system, an adherence to positivistic methodology and testable hypotheses and his persistence that 'the international system is anarchic rather than hierarchic, and it is characterized by interaction among units with similar functions' (Keohane 1989: 41) exerted tremendous influence over Keohane. However, they came to disagree on several fundamental points. The completion of *Power and Interdependence: World Politics in Transition* co-authored by Joseph Nye, marked Keohane's attempt to blend realism and liberalism and to synthesise the perspectives thus 'developing a coherent theoretical framework for the political analysis of interdependence in contemporary world politics' (Keohane & Nye, 1977: 4). Further work by Keohane such as *After Hegemony* outlines his interest in the fundamental comparison made by structural realist theory, that states are rational actors and their actions can often be predicted. Keohane attempted to further this argument but also sought to stress the importance of institutions by seeking to 'demonstrate that Realist assumptions about world politics are consistent with the formation of institutionalized arrangements, containing rules and principles which promote cooperation' (Keohane, 1984: 66).

The progression of Keohane's work to neoliberal institutionalism can be traced to the Inter-paradigm debate within international relations, this debate plus Keohane's time spent at the Centre for Advanced Study in the Behavioural Sciences during the 1980s enabled him the freedom to study the relationship between states and international non-state actors. From a neoliberal institutionalist perspective the ease of pertaining to rules is not considered paramount, indeed the difficulty of adhering to the rules of International Regimes, Organisations and Covenants is clear. However, Keohane does claim 'that the ability of states to communicate and cooperate depends on human-constructed institutions, which vary historically and across issues, in nature (with respect to the policies they incorporate) and in strength (in terms of the degree to which their rules are clearly specified and routinely obeyed)

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(Keohane, 1989:2). From this statement the influence felt by structural realist theory is clear although, obviously is not the most fundamental point for determining the actions of states.

Recognising the existence of an anarchic society of states but also an importance for reaching collective goals is one of the key tenets of neoliberal institutionalism. However, there have been certain historical events vital to the existence of current institutions that have encouraged rational interdependence. Increased modernisation and the ability to share technological advances has created networks of reciprocal benefit, thus relationships that an actor cannot afford to end. Which creates a 'potentially pacifying process in an anarchic environment' (Folker, 2010: 119). According to neoliberal institutionalists, another important development in the post-war international system would be that of *hegemonic stability theory*, and also the decline and the affects of the decline of the United States as a hegemonic power. As outlined in Keohane's *After Hegemony*. Immediately after the Second World War, one of the most important systems analysed was that of the 'capitalist economic and free trade system, which was supported by a series of formal institutions, such as the IMF and IBRD, which came to be known as the Bretton Woods system. These institutions were backed by American economic resources, and in doing so the USA was behaving as a hegemon' (Folker, 2010: 120). Neoliberal institutionalists may recognise self-interest in these actions (which would be one of the main focuses of structural realists), but the wider acknowledgement is that such agreements create opportunity for interdependence. Conversely, *hegemonic stability theory* has become less suited to describing cooperation with regards to the declining hegemonic influence of the United States. As stated in *After Hegemony*, in relation to economic troubles facing the oil markets of the 1970s, 'the prospect of discord creates incentives for cooperation; and at least in money and trade, international regimes have been sufficiently well developed to facilitate a good deal of cooperation – certainly more than would have been predicted by the theory of hegemonic stability alone' (Keohane, 1984). This theory allows me to illustrate Keohane's distinct differentiation between neoliberal institutionalism and structural realism by demonstrating Keohane's perception that discord does not reduce actions to self interested means, but instead, to cooperation which serves as damage limitation to interconnected economies. Concurrent with many of Keohane's views, Joseph Nye a close friend and co-author of many publications, has also demonstrated America's steady decline and possible submission to interdependence with 'only one-fifth of its efforts to compel change in other countries with military threats and one-half through economic sanctions successful' (Nye, 2011: 153)

As I have previously stated, Robert Keohane attempted to synthesise liberal and structural realist thought to create a perspective able to explain the role played by international non-state actors with regards to the influence they exert on the behaviour of states. Keohane fundamentally disagrees with Waltz's idea that states rely only upon 'means they can generate and arrangements they can make for themselves' (Waltz, 1979: 111). This being said, Keohane is quick to cite that he is not an institutionalist in its purest sense, citing that such 'adherents' emphasis on the functions performed by international institutions, runs the risk of being naïve about power and conflict' (Keohane, 1984, 7). Thus, Keohane recognises the existence of anarchy in Waltz's sense but not that the system of anarchy inevitably leads to states with a predisposition to conflict acting purely with self-interest and gains in mind. However what Keohane lacks, and arguably so too does structural realism, is a sense of intersubjectivity. Both perspectives' perception of anarchy assumes that there is a singular world view of anarchy and that the context of the situation surrounding a given state is marginally important. For example, if we describe anarchy to mean as, Robert Art and Jervis both perceive, in Powell's analysis of the inter-paradigm debate that 'no agency exists above individual states with authority and power to make laws and settle disputes. States can make commitments and treaties, but no sovereign power ensures compliance and punishes deviations' then according to Powell 'this formulation of anarchy says nothing about the means the units have at their disposal as they try to further their ends. It says only that no higher authority exists that can prevent them from using the means they have' (Powell, 1994: 330). Despite the narrow view of anarchy held by neoliberal institutionalists I feel Keohane rectifies this important drawback with his description of the decline of American hegemony and the need for cooperation in the event of such discord.

As stated in *International Institutions and State Power* 'the International Court of Justice at the Hague, for example, is certainly highly institutionalised but it is of relatively modest significance in world politics today' (Keohane, 1989: 7). Such a view is very reflective of the unmoving, bipolar system prevalent at the time of Keohane's main corps of work and as such we must question the relevance of such statements since the end of the Cold War. The rise of nongovernmental organisations and the economic interdependence that has served to exacerbate the current

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economic climate has only proved to outline the significance of Keohane's contribution to international relations. The influence that such organisations and interdependences exert over governments is now far reaching and impossible to reverse.

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